

EXHIBIT 1

<p style="text-align: right;">Page 339</p> <p>1 Q. Okay.</p> <p>2 A. That's additional.</p> <p>3 Q. Okay. And that was increased</p> <p>4 interest to National City Bank?</p> <p>5 A. Interest rate increase.</p> <p>6 Q. Oh.</p> <p>7 A. We had to pay a higher premium</p> <p>8 and that continued past the use of SAP</p> <p>9 Business One, because we had dropped in</p> <p>10 performance.</p> <p>11 Q. Okay. In the complaint, you --</p> <p>12 fifth -- paragraphs 53 and 54, you distinguish</p> <p>13 between what you consider direct costs and</p> <p>14 what you consider indirect costs. What did</p> <p>15 you mean by direct costs and indirect costs</p> <p>16 when you filed the complaint, sir?</p> <p>17 MR. LAMBERT: Objection.</p> <p>18 THE WITNESS: That is based on the</p> <p>19 legal way of presenting this.</p> <p>20 BY MR. STAR:</p> <p>21 Q. You personally had no idea what</p> <p>22 direct costs or indirect costs meant?</p> <p>23 A. I -- I know that the 843,000 is</p> <p>24 invoices directly paid to LSi. The indirect</p> <p>25 is based on a calculation you do.</p>	<p style="text-align: right;">Page 341</p> <p>1 that you listed for me, and I'll just take</p> <p>2 them in the order that you gave them to me</p> <p>3 today. The first one was productivity loss,</p> <p>4 you say 2.6 million, and that's what you list</p> <p>5 here in item 7 of your initial disclosures,</p> <p>6 which you list as productivity loss associated</p> <p>7 with unsuitability and malfunctions of SAP</p> <p>8 Business One software, say 2.4 to</p> <p>9 \$2.6 million. How did you calculate that</p> <p>10 figure?</p> <p>11 MR. LAMBERT: Objection.</p> <p>12 MR. STAR: What is the objection?</p> <p>13 MR. LAMBERT: What was that?</p> <p>14 MR. STAR: What is the objection to</p> <p>15 that?</p> <p>16 MR. LAMBERT: You want me to explain my</p> <p>17 objections now?</p> <p>18 MR. STAR: Well, if there is -- if</p> <p>19 there is an objection, I mean, if there is a</p> <p>20 form objection, you can make it, but I'm just</p> <p>21 unclear. He was designated to testify as to</p> <p>22 Hodell's damages, and I just can't see that</p> <p>23 there is an objection to that. It --</p> <p>24 MR. LAMBERT: Well, the objection is</p> <p>25 that we have designated Mr. -- or Otto to</p>
<p style="text-align: right;">Page 340</p> <p>1 Q. Okay.</p> <p>2 MR. STAR: This is the next Exhibit,</p> <p>3 23.</p> <p>4 (Whereupon, Exhibit 23 was marked for</p> <p>5 identification.)</p> <p>6 BY MR. STAR:</p> <p>7 Q. Sir, what I have marked here as</p> <p>8 Exhibit 23 is a document called the</p> <p>9 Rule 26(a) Initial Disclosures of Hodell. And</p> <p>10 one of the items that you see under Roman III</p> <p>11 on page 5 is Hodell's computation of damages.</p> <p>12 If you can flip to that page.</p> <p>13 Tell me, did you have any personal role</p> <p>14 in preparing this computation of damages</p> <p>15 listed in this document?</p> <p>16 A. Yes.</p> <p>17 Q. Okay. What was your role?</p> <p>18 A. I summarized my estimate of the</p> <p>19 damages.</p> <p>20 Q. And are these items of damages in</p> <p>21 line with the items that you just listed to me</p> <p>22 that now make up what you claim to be</p> <p>23 \$6 million in damages to Hodell?</p> <p>24 A. That is correct.</p> <p>25 Q. Okay. Let's go through the items</p>	<p style="text-align: right;">Page 342</p> <p>1 testify as to damage calculations. I</p> <p>2 designate him with the caveat that we have</p> <p>3 retained, or will retain an expert, designate</p> <p>4 an expert to come to the ultimate conclusion</p> <p>5 of what the damages are, but he can testify as</p> <p>6 to his -- his calculations. With that caveat.</p> <p>7 (Whereupon, at 12:28, Mr. Lowery left</p> <p>8 the room.)</p> <p>9 BY MR. STAR:</p> <p>10 Q. You are the person who made the</p> <p>11 calculation of the 2.4 to 2.6 million</p> <p>12 dollars --</p> <p>13 A. That is correct.</p> <p>14 Q. -- associated with the alleged</p> <p>15 productivity loss?</p> <p>16 A. Correct.</p> <p>17 Q. Okay. How did you get to those</p> <p>18 figures?</p> <p>19 A. Do I do this mentally, or do we</p> <p>20 have a document?</p> <p>21 Q. I have nothing that shows how you</p> <p>22 got to it, that's why I --</p> <p>23 A. Okay. Then I will go off the top</p> <p>24 of my head. I took our productivity for</p> <p>25 pounds shipped in the year 2002 under FACTS,</p>

<p style="text-align: right;">Page 343</p> <p>1 2003, 2004, 2005, 2006, and through February 2 of 2007. I added up all the pounds shipped 3 and all the employees utilized. I did it on 4 an annual basis, and I did it in total, and 5 came up with a productivity number under 6 FACTS, prior to switching. Then I looked at 7 our productivity from March through December 8 for '07, all of 2006, I'm sorry, 2008, and 9 three months of 2009. 10 Q. So March '07 through March '09? 11 A. Yes, 25 months -- 12 Q. Okay. 13 A. -- that we were on. 14 Q. Okay. 15 A. I believe I have the right 16 starting point is -- yeah. And I looked at 17 the number of employees and the pounds we 18 shipped during that time frame. And I 19 calculate for each of those years a total cost 20 for the employment per employee, and I tracked 21 how it increased over time, wasn't much 22 inflation. I took the number of employees we 23 actually used during the SAP implementation 24 and said, if we got back to what we had 25 experienced under FACTS, no improvement,</p>	<p style="text-align: right;">Page 345</p> <p>1 BY MR. STAR: 2 Q. Well, explain -- I'm confused 3 what you did. 4 A. We keep track of the pounds that 5 we ship. 6 MR. HULME: Let me interrupt just for a 7 second. In case you care, it's 12:30. 8 MR. STAR: It's 12:30. All right. 9 Let's go off the record. 10 MR. HULME: I don't want you to miss 11 your conference. 12 MR. STAR: Yes, thank you. Let's go 13 off the record here. We'll pick up at 1:30. 14 THE WITNESS: Okay. 15 (Whereupon, a lunch break was taken 16 from 12:32 until 1:36.) 17 MR. STAR: We're back on the record 18 here. 19 BY MR. STAR: 20 Q. We were talking about, before we 21 broke for lunch, your damages calculation, and 22 we left off with your description of your 23 calculation of productivity losses, which you 24 have calculated to be between 2.4 and 25 2.6 million dollars. I was trying to</p>
<p style="text-align: right;">Page 344</p> <p>1 although the documents all state improvement 2 in productivity and efficiency, we did not get 3 any -- we couldn't keep up with the 4 productivity under FACTS, so I said what was 5 productivity lost against FACTS? And the -- I 6 took the number of employees that we were 7 short, that we had extra under SAP Business 8 One, times the cost of those employees. And 9 that's how I came up with that number. 10 Q. So -- 11 A. We averaged 27 employees 12 approximately more than we should have had 13 under SAP Business One, had we been able to 14 maintain FACTS productivity. 15 Q. Okay. 16 A. That's just maintaining FACTS, 17 not improving. 18 Q. And am I summarizing this 19 correctly that essentially what you did was 20 you calculated the number of pounds of 21 material that you shipped, products that you 22 ship each year, divided that by the number 23 of -- 24 A. I didn't calculate -- I'm sorry. 25 MR. LAMBERT: Let him finish.</p>	<p style="text-align: right;">Page 346</p> <p>1 understand exactly the formula you used. And 2 as I understood your testimony, you took the 3 productivity rate as it related to the pounds 4 of materials shipped by Hodell from 2002 5 through February of 2007, divided that annual 6 rate by the number of employees; is that 7 right? 8 A. Pounds per employee. 9 Q. To come up with a figure of 10 pounds per employee? 11 A. Pounds per employee, correct. 12 Q. Was there some dollar figure that 13 you attached to the pounds per employee? 14 A. No. I attached a dollar figure 15 to our cost of employment, divided that cost 16 of employment by the number of employees we 17 had, to come up with a dollar figure per year, 18 that gives me a dollar figure for the extra 19 employees. 20 Q. So you figured how much it cost 21 for each of those employees, for instance, in 22 2002, versus what it cost in 2008 for that 23 same employee? 24 A. Yes. 25 Q. Okay. Did you consider any other</p>

<p style="text-align: right;">Page 347</p> <p>1 factors, other than the SAP software, in 2 connection with your employee cost, for 3 instance, between 2002 and 2008? 4 A. I took an average for the total 5 company. 6 Q. Okay. Were some of the employees 7 in 2002 that you compared the same as some of 8 the employees that you had in 2008? 9 A. Yes. 10 Q. Those people had increases in 11 their salaries or compensation between 2002 12 and 2008, right? 13 A. Between 2002 and 2008, that's 14 correct. 15 Q. Okay. And what were the reasons 16 in general that those people would have had 17 increases in their salaries between 2002 and 18 2008? 19 A. All the normal things that you 20 weigh in performance of an individual. 21 Q. So performance increases, 22 correct? Yearly increases for an individual 23 because of performance? 24 A. Correct. 25 Q. Okay. Cost of living raises and</p>	<p style="text-align: right;">Page 349</p> <p>1 that prior period. I included 2002 and 2003, 2 when we were implementing Radio Beacon. And 3 our productivity at that point was actually a 4 little bit lower, but I kept that in my 5 calculation. I didn't -- and used the five 6 and -- years and two months, I believe, 2, 3, 7 4, 5, '06, yeah, 5 years and 2 months. I 8 looked at the pounds shipped in total and the 9 number of employees and did a weighted average 10 number of employees required per pounds 11 shipped under FACTS. 12 Q. How many employees were required 13 per pounds shipped in 2002 on average? 14 A. About 131. 15 Q. Did that include you? 16 A. Absolutely. 17 Q. Okay. So you're including 18 everybody at the time in the Hodell 19 organization? 20 A. Absolutely. 21 Q. Okay. How many -- 22 MR. HULME: I'm sorry. I'm sorry. You 23 said 131 employees or 131 -- 24 THE WITNESS: No. 131 pounds shipped 25 per employee.</p>
<p style="text-align: right;">Page 348</p> <p>1 those sorts of things for individuals, 2 correct? 3 A. Typically, we didn't have that. 4 Q. And then you just assumed that 5 all of your increased average costs per 6 employee were attributed to your failed 7 implementation of Business One; is that right? 8 A. Correct. 9 Q. Okay. Even though you would have 10 given a particular employee some increase in 11 their pay between 2002 and 2008, regardless of 12 whether you ever did anything with SAP, true? 13 A. I calculated the number of 14 employees that we needed to serve a given 15 level of business, and then I compared that to 16 the dollar costs related to that excess number 17 of individuals. 18 Q. So I don't understand. Are you 19 -- are you telling me you did this calculation 20 based on Hodell's entire workforce from 2002, 21 up through 2009, or did you just do it on a 22 fraction of people who you considered to be 23 extra workers? 24 A. I took the productivity 25 calculation based on pounds shipped during</p>	<p style="text-align: right;">Page 350</p> <p>1 MR. HULME: Okay. That's what I -- I 2 -- 3 BY MR. STAR: 4 Q. 131 pounds shipped -- 5 A. 131,000. 6 MR. HULME: Right. 7 THE WITNESS: Okay. 8 BY MR. STAR: 9 Q. Okay. 131,000 pounds were 10 shipped per employee -- 11 A. Employee. 12 Q. -- in 2002? 13 A. Yes. 14 Q. Okay. How many -- 15 A. I'm going by memory. I don't -- 16 I can't memorize 4,000 workers. 17 Q. How many employees did you have 18 in 2002? 19 A. I would have to look at the 20 document. It was in the range of about 150, 21 140. 22 Q. How many employees did you have, 23 for instance, in 2008? 24 A. A hundred seventy some. 25 Q. And how many pounds per employee</p>

<p style="text-align: right;">Page 351</p> <p>1 did you ship in 2008?</p> <p>2 A. 119,000. In the five years prior</p> <p>3 to SAP implementation, we averaged, weighted</p> <p>4 average, 138,000 pounds per employee.</p> <p>5 MR. HULME: I'm sorry, 138 or 131?</p> <p>6 THE WITNESS: 138,000 --</p> <p>7 MR. HULME: Okay.</p> <p>8 THE WITNESS: -- for the five-year</p> <p>9 period.</p> <p>10 MR. HULME: Okay.</p> <p>11 THE WITNESS: '02 and '03, we were</p> <p>12 implementing Radio Beacon --</p> <p>13 MR. HULME: Right.</p> <p>14 THE WITNESS: -- and there was a slight</p> <p>15 drop. I included that in my calculation of</p> <p>16 comparing against FACTS. If I were to take</p> <p>17 the -- the previous three years, the</p> <p>18 differential unclaimed would be larger.</p> <p>19 BY MR. STAR:</p> <p>20 Q. Okay. Give me the exact formula</p> <p>21 that you came up with for your productivity</p> <p>22 cost, your productivity rate?</p> <p>23 A. I have already given it to you.</p> <p>24 Q. Run through it for --</p> <p>25 A. I calculated --</p>	<p style="text-align: right;">Page 353</p> <p>1 employees over the course of -- of each of</p> <p>2 these calendar years, and then figured out</p> <p>3 what the cost was to ship these pounds each</p> <p>4 year: is that right?</p> <p>5 A. Correct.</p> <p>6 Q. Okay. What was your total salary</p> <p>7 to employees, including yourself, for the</p> <p>8 calendar year 2002?</p> <p>9 A. I don't have that number on the</p> <p>10 top of my head, but if you have a calculator,</p> <p>11 you can calculate it approximately. It was</p> <p>12 approximately \$45,000 per employee, per year,</p> <p>13 and we had 178 employees, I believe, but I'm</p> <p>14 going by memory.</p> <p>15 Q. 178 employees in 2002 or 150?</p> <p>16 A. No. No. In 2008. I thought the</p> <p>17 question --</p> <p>18 Q. 2008.</p> <p>19 A. -- the question was 2008. I</p> <p>20 thought that was the question.</p> <p>21 Q. What was your salary in 2002?</p> <p>22 A. I don't recall.</p> <p>23 MR. LAMBERT: Objection.</p> <p>24 BY MR. STAR:</p> <p>25 Q. Is it higher -- was it higher in</p>
<p style="text-align: right;">Page 352</p> <p>1 Q. -- me again. I'm having</p> <p>2 difficulty, obviously --</p> <p>3 A. Okay.</p> <p>4 Q. -- understanding what you have</p> <p>5 done here.</p> <p>6 A. I looked at the pounds we shipped</p> <p>7 under SAP.</p> <p>8 Q. Uh-huh.</p> <p>9 A. And the number of employees we</p> <p>10 utilized. And then I said, if we had been on</p> <p>11 FACTS, how many employees would we have</p> <p>12 required to ship those pounds? The difference</p> <p>13 was the amount we had to have because of SAP.</p> <p>14 Q. You also attached a dollar figure</p> <p>15 to that --</p> <p>16 A. Correct.</p> <p>17 Q. -- and it was based on the total</p> <p>18 salaries of those employees that --</p> <p>19 A. The total compensation of --</p> <p>20 MR. LAMBERT: Let him finish. Let him</p> <p>21 finish.</p> <p>22 THE WITNESS: Okay.</p> <p>23 BY MR. STAR:</p> <p>24 Q. My understanding, you looked at</p> <p>25 the compensation that you paid to those</p>	<p style="text-align: right;">Page 354</p> <p>1 2008 than it was in 2002?</p> <p>2 MR. LAMBERT: Objection.</p> <p>3 THE WITNESS: I don't know.</p> <p>4 BY MR. STAR:</p> <p>5 Q. Okay. Did you get regular yearly</p> <p>6 increases in your compensation?</p> <p>7 A. No, sir.</p> <p>8 Q. Okay. In general, did employees</p> <p>9 of Hodell get regular yearly increases in</p> <p>10 their compensation?</p> <p>11 A. The ones that were performing.</p> <p>12 Q. Okay. And that wasn't because of</p> <p>13 SAP Business One, that was because of their</p> <p>14 own personal performance, right?</p> <p>15 A. If they were performing, they</p> <p>16 were not to blame for SAP Business One.</p> <p>17 Q. Would you agree with me that part</p> <p>18 of your calculation here to get to</p> <p>19 \$2.6 million includes costs that you -- that</p> <p>20 Hodell decided to incur through increases in</p> <p>21 pay and compensation to its employees as a</p> <p>22 regular course of business and having nothing</p> <p>23 to do with SAP Business One?</p> <p>24 A. I can't think of a business that</p> <p>25 doesn't have to address increasing pay at one</p>

<p style="text-align: right;">Page 379</p> <p>1 Q. What were those losses? I mean, 2 you're saying here that your sales in 2008 had 3 actually been increasing from what they were, 4 for instance, for 2006. 5 A. Yes. 6 Q. What losses did you have? 7 A. We had productivity cost losses, 8 we had interest cost increases, we had higher 9 capital investment. You're asking me to 10 repeat them all again. 11 Q. What were your net profit 12 figures, net profit or net loss figures for 13 2002? While -- 14 A. 2002 -- 15 Q. Yeah, let's do this. Before you 16 refer back to that. Let's mark that as 17 Exhibit 24, and we'll take a break at some 18 point and make some copies of it. 19 (Whereupon, Exhibit 24 was marked for 20 identification.) 21 THE WITNESS: For the record, Document 24 22 provides the sales history for years 2002 through 23 -- see if I can get that, moist my finger -- and 24 March of 2009. 25</p>	<p style="text-align: right;">Page 381</p> <p>1 MR. LAMBERT: What are you looking at? 2 THE WITNESS: I'm looking at the 3 summary page for 2008. 4 MR. LAMBERT: Okay. Okay. 5 MR. STAR: Let's do this. Let's take a 6 break and get some copies made of that. 7 (Whereupon, a break was taken from 2:15 8 until 2:23.) 9 (Whereupon, Exhibit 25 was marked for 10 identification.) 11 MR. STAR: Back on the record. 12 BY MR. STAR: 13 Q. The documents that are marked as 14 Exhibits 24 and 25 are -- are documents that 15 you created, sir; is that true? 16 A. Correct. No, that's incorrect. 17 The document 24 comes out of the summary 18 statements in our financial statement. Our 19 controller prepares those. 20 Q. And who prepared Exhibit 25? 21 A. Correct. 22 Q. You did? 23 A. I did. 24 Q. Okay. 25 A. I thought you said you.</p>
<p style="text-align: right;">Page 380</p> <p>1 BY MR. STAR: 2 Q. Okay. 3 A. It contains the sales and 4 profitability information, the pounds shipped, 5 and the employment count. 6 Q. All right. Can you tell me what 7 were your net profits or losses for the 2002 8 calendar year? 9 A. Yes. Net loss for 2002 was 10 \$137,000. I'm rounding to the nearest 11 thousand. 12 Q. That's fine. What about 2006? 13 A. 2006, 1,507,000 profit. That's 14 after a profit sharing distribution to the 15 employees of 20 percent. 16 Q. Net profit -- net profit? 17 A. That was net before tax profit. 18 Q. Okay. And what about in 2008? 19 A. 2008, 869,000. 20 MR. HULME: Profit or loss? 21 THE WITNESS: Profit. 22 MR. HULME: Profit. 23 MR. LAMBERT: Show me where you're 24 getting that. 25 THE WITNESS: Pardon me?</p>	<p style="text-align: right;">Page 382</p> <p>1 Q. All right. So we were running 2 through your net profit figures for certain 3 years. Can you just direct me on the document 4 that is Exhibit 24 as to where I would get 5 those figures that you -- that you have 6 testified to? 7 A. Okay. At the top, the first set 8 of data, other than the month and, you know, 9 annual figure, is -- the first line is the 10 sales figure. That's gross sales. To the far 11 right, final column. 12 Q. Okay. 13 A. First one. The second one above 14 the shaded line that goes across the middle of 15 the document is profit before federal tax. 16 Q. All right. Very good. 17 So if we look at Hodell 32 -- 32397, which is 18 consolidated calendar year for 2007, you have 19 indicated there start of SAP Business One in March 20 of that year? 21 A. Correct. 22 Q. Okay. Your gross sales figures 23 for each of the months in 2007 stayed roughly 24 the same, correct? 25 A. I'm sorry?</p>

<p style="text-align: right;">Page 383</p> <p>1 Q. Your gross sales figures for each 2 of the months in 2007 stayed roughly the same, 3 give or take some minor variances, correct? 4 A. The same from what base? 5 Q. In each month. Well, you had in 6 January gross sales of 3.5 million, in April 7 you had 3.4 million, for example, and June, 8 you were 3.6 million, August, 3.7 million. 9 Roughly within the range that you expected; is 10 that fair? 11 A. No. 12 Q. No? What did you expect? 13 A. I expect growth. 14 Q. Okay. How much growth did you 15 expect? 16 A. For the total year, I would have 17 expect it to be higher. 18 Q. What did you expect it would be? 19 A. I don't have my budget in front 20 of me, but in '06 we had 43 million, so I 21 would have expected some growth. 22 Q. What factors led to a lack of 23 growth between 2006 and 2007 in your gross 24 sales figures? 25 A. It's my personal opinion the</p>	<p style="text-align: right;">Page 385</p> <p>1 and present? 2 A. Based on this, the effect on 3 Hodell through '08, oh, through '08, was 4 minimal. 5 Q. Okay. Your testimony has been 6 that you expected Hodell to be on a 13 percent 7 annual growth rate, correct? 8 A. We interrupted that in '07. 9 Q. Okay. Is it your view that the 10 economy, which has been in a general downturn 11 for the last four or five years, had no impact 12 at all on Hodell's ability to grow at your 13 projected 13 percent annual growth rate? 14 A. I did not say that. 15 Q. Okay. Well, what is your view? 16 A. It had some effect, but we still 17 grew from '07 to '08, although '07 was a 18 decline, because of the implementation 19 efforts. And we recovered a little bit even 20 in the downturning economy. 21 Q. And in '08, you were running for 22 the first full year the SAP Business One 23 platform? 24 A. Correct. 25 Q. Okay. Looking at the document</p>
<p style="text-align: right;">Page 384</p> <p>1 major one was SAP Business One implementation, 2 the productivity problems we had, the service 3 problems we had, the efforts we had to put 4 forth to check our inventory levels, the 5 purchase -- extra work in purchasing to try 6 and keep our service level up. 7 Q. What other factors besides 8 Business One? You said that was the major 9 factor. 10 A. The economy -- 11 Q. Were there others? 12 A. -- always has an effect. 13 Q. What effect did the economy have 14 on your gross sales figures between 2006 and 15 2007? 16 A. If there is an economic downturn, 17 ours usually comes later. 18 Q. Okay. 19 A. As you see in '08, we were up. 20 '08 was higher than '07 in total. 21 Q. Okay. 22 A. So we started to recover in some 23 way. 24 Q. Okay. In what way did the 25 economic downturn impact Hodell between 2006</p>	<p style="text-align: right;">Page 386</p> <p>1 that is marked Exhibit 25, you have here 2 listed, it's titled SAPB1 Effect on 3 Productivity. And one of the columns you have 4 here is the number of employees per calendar 5 year. You see that? 6 A. Correct. 7 Q. Did you calculate that figure as 8 of the end of each calendar year? 9 A. It's a weighted average on that. 10 Q. Okay. So in 2006, the last full 11 year that you ran the FACTS software, you had 12 a weighted average of 177 employees, correct? 13 A. Correct. 14 Q. Okay. The next calendar year -- 15 A. No, it's not correct. For '06, 16 we had 177. For '02, we had 137. 17 Q. I didn't ask about '02. I asked 18 -- 2006 was the last full calendar year that 19 you ran the FACTS software. And in that year, 20 you had a weighted average of 177 employees, 21 right? 22 A. Correct. 23 Q. Okay. You have down total 24 workers, 186.2. What does that mean? You're 25 adding in your full-time employees and your</p>

<p style="text-align: right;">Page 387</p> <p>1 temporary staff?</p> <p>2 A. No, some temps. I'm converting</p> <p>3 the temps to a full-time --</p> <p>4 Q. I see.</p> <p>5 A. -- category.</p> <p>6 Q. So in 2007, you have two columns.</p> <p>7 You have 2007 year to date as of February, you</p> <p>8 had 178 total employees, plus five and a half</p> <p>9 temps, for a total of 183.5 workers, right?</p> <p>10 A. Right.</p> <p>11 Q. So that's roughly two workers, if</p> <p>12 we can divide a person, roughly two workers</p> <p>13 less than you had in calendar year 2006,</p> <p>14 right?</p> <p>15 A. Repeat that math.</p> <p>16 Q. Well, you have got 183.5 versus</p> <p>17 186.2.</p> <p>18 A. Right.</p> <p>19 Q. So just about slightly more than</p> <p>20 -- slightly two people less in 2007 than you</p> <p>21 had in 2006, right?</p> <p>22 A. No. It's going the opposite way.</p> <p>23 Three people more in total.</p> <p>24 Q. Three people more in 2006 than in</p> <p>25 2007?</p>	<p style="text-align: right;">Page 389</p> <p>1 A. Did you look at --</p> <p>2 Q. -- 2006 --</p> <p>3 A. -- pounds?</p> <p>4 Q. Sir, don't interrupt when I'm --</p> <p>5 A. I'm sorry.</p> <p>6 Q. You had no --</p> <p>7 A. Apologize.</p> <p>8 Q. -- actual change in employees</p> <p>9 between 2006 and 2007, correct? I mean, it</p> <p>10 was a -- less than one person?</p> <p>11 A. Did you look at the number of</p> <p>12 pounds in 2006? 23,312,000. In 2007,</p> <p>13 21.1 million. A ten percent drop in the</p> <p>14 pounds shipped, but I had to add people. How</p> <p>15 many people should we have utilized for that</p> <p>16 volume?</p> <p>17 Q. Tell me, how many should you have</p> <p>18 utilized?</p> <p>19 A. Well, I would take our average</p> <p>20 productivity for the prior five years and</p> <p>21 two months, even though the last two months</p> <p>22 considered we added people because of the</p> <p>23 training time required in order to get our</p> <p>24 product out the door, we had to add some</p> <p>25 people. I've penalized FACTS for that, the</p>
<p style="text-align: right;">Page 388</p> <p>1 A. Oh, you said 2007.</p> <p>2 Q. Sorry if I misspoke. Okay. And</p> <p>3 then for the full calendar year 2007, you have</p> <p>4 total employees of 176, versus 177 in 2006,</p> <p>5 correct?</p> <p>6 A. You're looking at column three,</p> <p>7 employees?</p> <p>8 Q. Yes, sir.</p> <p>9 A. Correct.</p> <p>10 Q. The total workers, including your</p> <p>11 temps in 2007, 186.8?</p> <p>12 A. Correct.</p> <p>13 Q. Versus 186.2 in 2006, right?</p> <p>14 A. Correct.</p> <p>15 Q. Okay. So looking at this, how</p> <p>16 can you -- strike that.</p> <p>17 Looking at this, is it your testimony</p> <p>18 that because of the SAP Business One</p> <p>19 implementation, Hodell was caused to add</p> <p>20 additional employees?</p> <p>21 A. Correct.</p> <p>22 Q. In what way?</p> <p>23 A. Lost productivity.</p> <p>24 Q. But you had actually no real</p> <p>25 change in the number of employees between --</p>	<p style="text-align: right;">Page 390</p> <p>1 productivity on the FACTS. The numbers in</p> <p>2 here contain the actual employment, but we</p> <p>3 already had activity, training, evaluating SAP</p> <p>4 Business One.</p> <p>5 Q. So you think FACTS was</p> <p>6 responsible for some of your productivity</p> <p>7 losses?</p> <p>8 A. No. No. We had to take some of</p> <p>9 the people's time to training, and therefore,</p> <p>10 we had to add people to get the product out</p> <p>11 the door.</p> <p>12 Q. Tell me then, how many additional</p> <p>13 people do you think SAP or LSi is responsible</p> <p>14 for at Hodell?</p> <p>15 A. An average of 27.2 a year.</p> <p>16 Q. And you believe that comes out to</p> <p>17 a total loss productivity cost of 2.5, almost</p> <p>18 \$2.6 million?</p> <p>19 A. That is correct.</p> <p>20 Q. Okay. That's calculated based on</p> <p>21 the amount that you have paid these 27.16</p> <p>22 people over what course of time?</p> <p>23 A. Twenty-five months.</p> <p>24 Q. Okay. Moving back to your total</p> <p>25 damages calculation of around \$6 million. You</p>